

Before the State of South Carolina
Department of Insurance

IN THE MATTER OF:)	Docket No. 03-001
)	
)	
Redomestication of Kansas City Fire and Marine Insurance)	Decision and Order
Company, a Missouri domestic insurance company,)	
)	
CNA Plaza, 24S-G)	
Chicago, Illinois 60685.)	
)	

This matter comes before me pursuant to a request of Kansas City Fire and Marine Insurance Company ("Kansas City Fire and Marine") to transfer its domicile from the State of Missouri to the State of South Carolina.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

From the request and other exhibits attached, I find and conclude as follows:

1. Kansas City Fire and Marine is a Missouri domestic insurance company that has a certificate of authority to transact the business of insurance in that state pursuant to chapter 379, RSMo. Kansas City Fire and Marine requested and was granted approval from the Missouri Department of Insurance to transfer its domicile to the State of South Carolina.
2. Kansas City Fire and Marine has requested approval of the Director to transfer its domicile to the State of South Carolina pursuant to section S.C. Code Ann. § 38-5-170 (2002). Approval of that request was granted via order of the Missouri Department of Insurance.
3. Kansas City Fire and Marine is authorized to transact business within the State of South Carolina. This insurer was authorized to do business in this state on July 1, 1948. They write accident and health, property and casualty, surety and marine insurance coverages.

4. Section 38-5-170 provides that:

The certificate of authority, agents' appointments and licenses, rates, and other items which the director or his designee may allow which are in existence at the time any insurer licensed to transact the business of insurance in this State transfers its corporate domicile to this or any other state by merger, consolidation, or any other lawful method shall continue in effect upon such transfer if the insurer remains duly qualified to transact the business of insurance in this State. All outstanding policies of any transferring insurer shall remain in effect and need not be endorsed as to the new name of the company or its new location unless so ordered by the director or his designee. Every transferring insurer shall file new policy forms with the department on or before the effective date of the transfer but may use existing policy forms with appropriate endorsements if allowed by, and under conditions as approved by, the director or his designee. Every transferring insurer shall notify the director or his designee of the details of the proposed transfer and shall file promptly

5. Bulletin 2002-07 sets forth additional requirements for an insurer interested in re-domesticating to the State of South Carolina. It provides, in pertinent part, that:

The Department interprets "any other lawful method" of transferring domiciles to or from this State, as provided in Section 38-5-170, to permit an insurer that is organized under the laws of another state and licensed in South Carolina as a foreign insurer to re-domesticate to this State by complying with all of the requirements of law relative to the organization and licensing of a domestic insurer of the same type. Such

transferring insurer will be entitled to like certificates and licenses to transact business in this State, and shall be subject to the authority and jurisdiction of this State. Prior to re-domestication as provided herein, the transferring insurer must obtain the approval of the Insurance Commissioner in its current state of domicile.

Conversely, the Department interprets “any other lawful method” of transferring domicile to or from this State, as provided in Section 38-5-170, to permit an insurer that is organized under the laws of South Carolina, upon the approval of the director or his designee, to transfer its domicile to any other state in which it is admitted to transact the business of insurance. Upon such transfer, an insurer shall cease to be a domestic insurer of this State and shall be admitted to this State if it qualifies as a foreign insurer. The director or his designee shall approve the proposed transfer unless he or she determines the transfer is not in the interest of the policyholders of this State. This Bulletin shall not prevent an insurer from re-domesticating to or from this State by merger or consolidation as provided in Section 38-5-170.

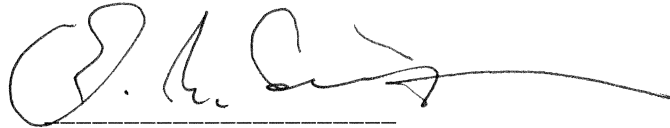
6. This re-domestication appears to be in the best interest of the policyholders of this State.

7. The insurer has satisfied the requirements for re-domestication under South Carolina law.

Accordingly, it is ordered that:

Based upon these findings and conclusions, the proposed transfer of Kansas City Fire and Marine to the State of South Carolina and the company's use of existing policy forms with such limited endorsement(s) as are made necessary by the transfer allowed hereby is APPROVED effective January 1, 2003 upon the following conditions:

1. The Department will conduct an organizational examination of the insurer.
2. Kansas City Fire and Marine must comply with all other requirements of applicable South Carolina law.

A handwritten signature in black ink, appearing to read 'E. N. Csiszar', written over a horizontal line.

Ernst N. Csiszar
Director

January 21, 2003
Columbia, South Carolina